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	DODE-00	PERC-00	PDI-00	DS-00	FBIE-00	VCI-00	OBO-00
	H - 00	TEDE-00	INR-00	IO-00	LAB-01	L-00	MOFM-00
	MOF-00	M - 0.0	VCIE-00	NSAE-00	NIMA-00	PM-00	FMPC-00
	SP-00	IRM-00	SSO-00	SS-00	NCTC-00	CRYE-00	PMB-00
	DSCC-00	PRM-00	DRL-00	SCA-00	CARC-00	NFAT-00	SAS-00
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SUBJECT: A YANUKOVYCH FOREIGN POLICY

Classified By: Political Counselor Colin Cleary. Reasons: 1.4 (b/d).

- 11. (C) If Regions Party leader, and Orange Revolution foil, Viktor Yanukovych wins the January/February 2010 Presidential election, main elements of his foreign policy would include:
- --A reset in relations with Russia, generally deferring to Russia's red lines;
- --Non-bloc status and an end to Ukraine's NATO membership aspirations, but some continued engagement with NATO;
- --Relations with EU on "equal terms;
- --Openness to renegotiate extension of the Russian Black Sea Fleet lease in Sevastopol past 2017;
- --Cooling of relations with Saakashvili's Georgia, but probably no near-term recognition of South Ossetia or Abkhazia:
- -- Pragmatic relations with the U.S. End Summary.

Geography is Destiny

- 12. (C) Party of Regions leader Viktor Yanukovych's central foreign policy tenets are non-bloc status for Ukraine and a reset in Ukraine's relations with Russia. Anatoliy Orel, a senior advisor to Yanukovych, former two-time Ukrainian Ambassador to Italy, and General Director of the Center for International and Comparative Studies told us that Yanukovych would stress pragmatism in foreign relations. This would apply, above all, to relations with Russia. Orel condemned the "black and white approach" to foreign policy of the Yushchenko era, with the West seen as good and Russia as evil. This dichotomy does not work for Ukraine.
- ¶3. (C) In fact, Orel stressed, Ukrainian policymakers can not ignore Ukraine's geography. Ukraine has to take the views of Russia very seriously. Hostile relations with Russia are not in Ukraine's interest. This does not mean, Orel continued, that a Yanukovych-led foreign policy would give in to Russia in all areas. There will be areas of disagreement. But Yanukovych will manage the relationship to minimize the frictions. This would improve the regional climate and, Orel contended, complement the U.S. reset with Russia.
- 14. (C) Regions MP (and former Ambassador) Leonid Kozhara told us Regions has designated him as shadow Foreign Minister and head of foreign relations for the campaign. Kozhara, a close associate of Orel, also repeated to us that Ukraine should defer to central Russian interests when defining its foreign policy priorities.

Getting the Best Deal

15. (C) Businesslike dealings will be the hallmark of Yanukovych's approach to Russia, Orel asserted. By contrast, when Borys Tarasyuk became Foreign Minister, Orel said he had the Foreign Ministry draw up a long list of bilateral issues with Russia that needed resolution. Tarasyuk then reordered the list, putting the thorniest issues -- such as border demarcation and the Black Sea Fleet -- at the top. This ensured there would be no progress. Yanukovych would address easier issues first and build on success. He would be driven, not by ideology, but by getting the best deal he can for Ukraine, Orel asserted.

16. (C) Orel maintained that Russia did not want to resolve border demarcation issues. Russia is concerned about the Kerch Strait/Azov Sea being open to NATO ships and thus wants to keep the border unresolved. Ukraine should recognize this fact and seek something from Russia in return. Similarly Ukraine should open the Russian Black Sea Fleet lease to renegotiation. Ukraine can get a much better lease deal out of Russia and should do so to protect the 20,000 jobs that Orel said depended on the Fleet. Kozhara echoed this to us as well.

NATO

17. (C) NATO membership "makes no sense" for Ukraine, Orel asserted. The public is overwhelmingly against it. Furthermore, NATO is less attractive because of Afghanistan, which Orel predicts will end in Vietnam-like failure for the Alliance. And it needlessly complicates relations with Russia. Yanukovych has made clear in public remarks as recently as November 22 that he favors cooperation with NATO, but that he will not seek membership. Orel and Kozhara noted to us that under Kuchma (for whom both worked) Ukraine had improved cooperation with NATO in far more practical ways that Yushchenko ever had.

EU

- 18. (C) Oligarch Borys Kolesnykov, co-chairman of Yanukovych's campaign, expressed to Charge November 24 his misgivings about Ukraine's relations with the EU. Membership remains a strategic goal but in fact, he asserted, the EU will never fully open its markets to Ukraine or admit Ukraine as a member. Regions favors closer relations with the EU, but only on a reciprocal basis. Ukraine should not make unilateral concessions. Ukraine can work on practical issues, such as the Free Trade Area and Visa liberalization, but not hold out hope for membership.
- ¶9. (C) Regions economic chief (and former Deputy PM) Mykola Azarov told Embassy November 23 that economic reform in Ukraine should come from within and need not be driven by harmonization with the EU. Orel also believes Europe will never allow Ukraine in as a full member because Ukrainian agriculture and some Ukrainian industry would undercut prices in Europe. Furthermore, he said, it is demeaning to seek to comply with a complicated list of acquis while Ukraine does not even have a formal membership perspective.
- 110. (C) Orel added that Ukraine should back away from the Eastern Partnership. This was an EU, Polish-driven effort to create a cordon around Russia. Ukraine did not need the Eastern Partnership, which irritates Russia. Rather, Ukraine should deal with the EU on a bilateral (Ukraine-EU) basis and not as part of the Eastern Partnership.

Cooling Relations with Georgia

111. (C) Orel and Kozhara told us that a Yanukovych government would move to cool relations with the Saakashvili government. Ukraine would cease arms sales to Georgia, which have provoked Russian ire. While Yanukovych spoke in favor of recognition of the "independence" of South Ossetia and Abkhazia in August 2008, Orel and Kozhara said that this was unlikely. Orel said that recognition of South Ossetia and Abkhazia would send the wrong signal; Yanukovych would appear

to be going too far to appease Russia. Oligarch Kolesnykov also did not expect any recognition soon, but maintained that there was a legal basis for the Abkhazian separatist claim.

112. (C) Orel and Kozhara looked with disfavor on GUAM, implying that a Regions government might reevaluate its participation in the organization. In addition, Yanukovych has publicly supported Russian President Medvedev's still undefined "new European security architecture" initiative.

Comment

13. (C) Election of Yanukovych would mark a fundamental shift away from Yushchenko's advocacy of Euroatlantic integration as the best way for Ukraine to anchor its sovereignty. Instead, the emphasis will be on lowering the temperature with Russia, multi-vectoralism (tilting to Russia), and economic matters. A Yanukovych foreign policy would defer to Russia on many key foreign policy issues, but could be expected to stand up for the business interests of the party's Donbass/Donetsk core. Yanukovych would be open to pragmatic cooperation with the U.S. However, the U.S. and Europe would have more leverage with Tymoshenko, who identifies European integration as the central vector of her foreign policy and who aspires, far more than Yanukovych, to be accepted in Europe.

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